



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

August 16, 2018

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

RE: Advice No. 18-09, Schedule 3 Residential Demand Response Water Heater Pilot Term Update

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rule (OAR) 860-022-0025, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18, with a requested effective date of **September 12, 2018**:

Second Revision of Sheet No. 3-1
First Revision of Sheet No. 3-3
First Revision of Sheet No. 3-4

The purpose of this filing is to update the term in Schedule 3, Residential Demand Response Water Heater Pilot, to continue the Pilot until March 31, 2019. As currently designed, the pilot ends July 31, 2018. The extension of this pilot is requested and funded by Pacific Northwest National Laboratory (PNNL) to gather more data during the 2018 winter season.

As noted in Staff's memo recommending approval of this pilot, PGE plans to share with Staff the detailed project report, generated by Northwest Energy Efficiency Alliance (NEEA), that will include the costs and benefits of this pilot. The report will be used to create a business case to justify NEEA's regional market transformation plan. The market transformation plan will inform utilities and other regional stakeholders about the most cost-effective way to make demand response-ready water heaters the primary type installed in the Pacific Northwest.

To satisfy the requirements of OAR 860-022-0025, PGE responds as follows:

The incremental costs to extend this pilot will be paid by Department of Energy (DOE), through PGE, to compensate Residential Customers for their extended participation in this pilot. This schedule does not increase, decrease or otherwise change existing rates or have anything other than a de minimis impact on revenues.

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Due to the requested effective date and the less than 30-day notice, PGE is also submitting an application requesting a waiver of legal statutory notice, pursuant to ORS 757.220 and OAR 860-022-0020.

Should you have any questions or comments regarding this filing, please contact Kalia Savage at (503) 464-7432.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

A handwritten signature in black ink, appearing to read "Karla Wenzel". The signature is fluid and cursive, with the first name "Karla" being more prominent than the last name "Wenzel".

Karla Wenzel
Manager, Pricing and Tariffs

Enclosure

**SCHEDULE 3
RESIDENTIAL DEMAND RESPONSE WATER HEATER PILOT**

PURPOSE

The Residential Demand Response Water Heater Pilot is a demand response option for eligible residential Customers. The pilot is being conducted by the Bonneville Power Administration (BPA), Pacific Northwest National Laboratory (PNNL), and PGE. The objectives of the Residential Demand Response Water Heater Pilot are: (C)

- To quantify the energy consumption that can be shifted to different times from water heaters equipped with a communication interface that supports Direct Load Control Events;
- To create an effective program design for a water heater demand response program;
- To determine kW load that can be reduced at times of system peak demand;
- To create a business case that justifies a regional market transformation plan for demand response ready (smart) water heaters;
- To integrate and test different technologies, and
- To implement different demand response dispatch strategies.

DEFINITIONS

Customer Override – The ability for the Customer to suspend Direct Load Control for a period of 24 hours. (T)

Direct Load Control – the means for a utility to remotely control an appliance. In terms of this pilot, direct load control allows the Company to control when the water heater uses electricity to heat water.

Direct Load Control Event – a period in which the Company will provide Direct Load Control. (T)

Conventional Electric Resistance Water Heater – A water heater model ordered specifically for this pilot. It will be available to qualified plumbers through customary distribution channels. The water heater is the commercially manufactured PXNT-50 tank made and warranted by AO Smith. The model is shipped from AO Smith with a small change to interpret the commands provided by the project's communication provider. (T)

Heat Pump Water Heater – Recent models manufactured by AO Smith or GE Appliances. When a Customer expresses interest in participation, PGE must verify that the customer's water heater model is compatible with the pilot's communication provider.

SCHEDULE 3 (Continued)

ENROLLMENT

The Customer enrollment period may begin prior to the term of the pilot. Customers must enroll in the BPA pilot by August 31, 2017. Customers with heat pump water heaters will be notified by mail or email and be provided with an opportunity to enroll in this schedule. Customers with Conventional Electric Resistance Water Heaters will have the opportunity to enroll through notification by a select, trained group of plumbers. PGE expects this notification to occur primarily while a Customer replaces a failed electric water heater. However, qualified Customers that contact PGE, or are informed by another method, may be allowed to participate if they bear the cost of replacing their existing water heater with a Conventional Electric Resistance Water Heater named above. Unless this pilot is otherwise terminated, participating Customers will be enrolled for the entire pilot term.

(T)

INCENTIVE

Participating Customers will receive a \$50 sign-up incentive payment after PGE verifies one month of connectivity to the Customer's Wi-Fi network. A Customer that has participated, as defined in the special conditions, for 12 months will receive a \$100 participation incentive at the end of the pilot. Customers will receive an additional \$100 if they allow PGE to install a logging device on the water heater for the duration of the pilot. The number of logging devices is limited. Customers who continue the pilot, after July 31, 2018 through the end of the pilot, will receive an additional \$100. Incentives are paid to the Customer with a check or generic gift card. To receive participation payment, the Customer must not move, withdraw, or be removed from pilot during the 12 months.

(C)

(C)

SCHEDULE 3 (Concluded)

SPECIAL CONDITIONS

1. The Customer may terminate service under this pilot voluntarily. The Customer will not receive a participation incentive if they withdraw or are removed from the pilot. The Customer must notify PGE if they choose to withdraw from the pilot.
2. PGE has the right to remove a Customer from the pilot at any time, for any reason.
3. If a Customer withdraws or is removed from the pilot, the Customer is not eligible for reenrollment during the pilot.
4. If the Customer moves from the enrolled residence during the term of the pilot, they are no longer eligible for the pilot.
5. The Company is not responsible for any direct, consequential, incidental, punitive, exemplary, or indirect damages to the participating Customer or third parties that result from Direct Load Control Events.
6. The Company or BPA shall have the right to select the Direct Load Control Event schedule.
7. The Customer may activate a 24-hour suspension from the pilot by notifying the Company through a Customer specific log-in page on the PGE website. A Customer may be removed from the pilot if they implement the override option excessively; an example of excessive is override use for more than 100 days, or more than 15 days in any 30-day period.
8. To receive a participation incentive, the Customer must respond to weekly surveys regarding the pilot, administered by the Company.
9. Radio transmitters installed onto the water heater will remain the property of the Company before, during and after the conclusion of the pilot. The customer shall return the device in a pre-paid postage box provided by PGE.
10. The provisions of this schedule do not apply for any time that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. (T)

TERM

The pilot duration is 12 months from the Customer's enrollment date. The pilot is active until March 31, 2019. (C)
(C)

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF <u>Portland General Electric Company</u> (UTILITY COMPANY)))))	UTILITY L.S.N. APPLICATION NO. _____ (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.		

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rule (OAR) 860-022-0025, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18, with a requested effective date of September 12, 2018. The purpose of this filing is to update the term in Schedule 3, Residential Demand Response Water Heater Pilot, to continue the Pilot until March 31, 2019. As currently designed, the pilot ends July 31, 2018. The extension of this pilot is requested and funded by Pacific Northwest National Laboratory (PNNL) to gather more data during the 2018 winter season.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)
 First Revision of Sheet No. 3-1
 Original Sheet No. 3-3
 Original Sheet No. 3-4

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)
 Second Revision of Sheet No. 3-1
 First Revision of Sheet No. 3-3
 First Revision of Sheet No. 3-4

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:
 A Waiver of Statutory Notice is requested due to the requested effective date of September 12, 2018

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): September 12, 2018

AUTHORIZED SIGNATURE 	TITLE Manager, Pricing & Tariffs	DATE August 16, 2018
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	